



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

Los Angeles River Center and Gardens

570 West Avenue Twenty-six, Suite 100

Los Angeles, California 90065

Phone (323) 221-9944 Fax (323) 221-9934

August 17, 2006

Ms. Elizabeth Cheadle
Chairperson
Santa Monica Mountains Conservancy
5750 Ramirez Canyon
Malibu, California 90265

**Amendment to Grant SMM-0463
Vista Hermosa Watershed Restoration project**

Dear Ms. Cheadle:

The subject grant was awarded to the MRCA for construction and project management for the Vista Hermosa Los Angeles River Watershed Restoration Project. On July 19, 2006, MRCA obtained construction bids from three contractors. The lowest qualified bid was \$9,814,775. Although the project had been redesigned multiple times to cut costs, phasing was eliminated, and bidders were required to itemize bids to isolate costs, the bid is significantly higher than all previous estimates and exceeds the amount of funding available to build the park.

The higher than anticipated bids are likely due to rapidly escalating costs for materials and transport and general uncertainties regarding the economy. The redesign had to be resubmitted to the Division of State Architect and the Department of Toxic Substances Control for approval and this also delayed the project process. The recent slowdown in the real estate market may also be a factor because of its effect on the construction industry. Because these are factors beyond MRCA's control, we are requesting additional funding in the amount of \$5,950,000 to complete the park construction.

Additional funding for the project has already been secured from the Los Angeles County Regional Park and Open Space District, the Los Angeles Unified School District, private donors, and a City of Los Angeles Proposition K grant to LAUSD.

If you have any questions, please contact Barbara Romero, the project manager, at (323) 221-9944 extension 188.

Sincerely,

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Michael D. Berger
Chairperson